

July 24, 2023



Independent Salary Commission

Voter approved. Community centered. City delivered.



**Portland
Transition**



Zoom Overview

- Meeting is being recorded and will be posted on the Commission’s website.
- We have Close Captioning, American Sign language, and Spanish interpretation available.
- Commissioners, please change your chat setting to “Everyone”.
- Community members, you can submit questions or thoughts through the Q&A.

Public Hearing Agenda

TIME	ACTIVITY
6:00 – 6:05 pm	Welcome
6:05 – 7:45 pm	Discussion about amendments/final research
7:45– 7:50 pm	Vote
7:50 – 8:00pm	Next steps
8:00 pm	Meeting Adjourned



Amendments for Discussion

- ✓ COLA deferral
- Thriving wage adjustments
 - Language differential

✓ COLA Deferral

APPROVED:

Remove the COLA requirement for future salaries and allow the next Salary Commission to consider cost of living increases.

Thriving Wage

The Thriving Wage calculation depends on estimated expenses. Adjusting the rate estimated for private sector medical costs with the actual premium rate for a City employee with one child is significant.

Typical Expenses 1 Adult + 1 Child	Private Sector Cost	City Employee Cost
Food	\$6,916	\$6,916
Child Care	\$9,193	\$9,193
Medical	\$8,727	\$957.36
Housing	\$21,374	\$21,374
Transportation	\$9,561	\$9,561
Required annual income after taxes	\$69,723	\$48,001
Annual taxes	\$15,431	\$15,431
Required annual income before taxes	\$85,154	\$63,432

Thriving Wage

The Thriving Wage calculation lists mandatory expenses of food, childcare, medical, housing, transportation, and taxes as 50% of annual income. The remaining 50% is be split between savings and debt (20%) and wants and discretionary expenditures (30%).

50% mandatory expenses	\$63,432
20% savings and debt repayment	\$25,372.94
30% wants and discretionary spending	\$38,059.42
Required annual income before taxes	\$126,864.72

**Under consideration:
Consider adjusting the floor salary to account for benefits provided by the City of
Portland.**

Already approved: Do not adjust proposed salaries for Mayor and Auditor.

City Commissioner Options

Role	Option	Annual
Commissioner	Market Average (April 2023)	\$111,760
Commissioner	Market Average + COLA to 7/1/2023	\$117,348
Commissioner	Current	\$125,694
Commissioner	Public Sector Thriving Wage / Premiums Only	\$126,864
Commissioner	Public Sector Thriving Wage / Premiums + Out of Pocket	\$134,065
Commissioner	Current + COLA to 7/1/2022	\$134,098
Commissioner	Current + COLA to 7/1/2023	\$140,795
Commissioner	Public Sector Thriving Wage / Premiums + Out of Pocket + COLA	\$140,768
Commissioner	Private Sector Thriving Wage	\$142,404
Commissioner	Private Sector Thriving Wage + COLA	\$149,524

Language Differential

- City equity practitioners consider a flat rate to be more equitable than a percentage.
- City equity practitioners are not supportive of elected leaders making more than the rest of the workforce.
- There is disagreement about the most equitable practice of compensation for language skills.

Proposal:

Consider changing the compensation to a flat rate or a lower percentage.

Question: Should you make a recommendation to BHR to re-assess the current flat rate for City employees?

Language Pay Differential Data

- 322 active employees receive LPD
- \$1 hour rate represents 2.6% of median base wages

FLSA Status	Exempt	Non-exempt	Grand Total
Number of Employees	70	252	322
Median Annual Rate	\$103,792	\$78,260	\$82,805
Median Hourly Rate	\$49.90	\$36.90	\$38.34
\$1 as % of Median Hourly Rate	2.0%	2.7%	2.6%

Language Pay Differential Data

- FY 23-24 cost of LPD including wage-driven benefits using flat rates

FY 23-24 Cost	Exempt	Non-exempt	Grand Total
\$1/hour	\$196,000	\$625,000	\$822,000
\$2/hour	\$392,000	\$1,250,000	\$1,644,000
\$3/hour	\$588,000	\$1,875,000	\$2,466,000
\$4/hour	\$784,000	\$2,500,000	\$3,288,000

Language Pay Differential Data

- FY 23-24 cost of LPD including wage-driven benefits using percentages

FY 23-24 Cost	Exempt	Non-exempt	Grand Total
2%/hour	\$211,000	\$462,000	\$673,000
3%/hour	\$316,500	\$693,000	\$1,009,500
4%/hour	\$422,000	\$924,000	\$1,346,000
5%/hour	\$527,500	\$1,155,000	\$1,682,500

Language Pay Differential Data

- Side by side cost comparison of flat rates and percentages

FY 23-24 Cost	Exempt	Non-exempt	Grand Total
2%/hour	\$211,000	\$462,000	\$673,000
\$1/hour	\$196,000	\$625,000	\$822,000
3%/hour	\$316,500	\$693,000	\$1,009,500
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\$3/hour	\$588,000	\$1,875,000	\$2,466,000
\$4/hour	\$784,000	\$2,500,000	\$3,288,000

Vote



Next Steps

- Report discussion
- Report development, editing
- Media management

Meeting Adjourned

